

# DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON DC 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997 ]

DOCKET NO. R97-1

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## INITIAL BRIEF

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1. David B. Popkin, a limited participant in the above referenced Docket, hereby submits his Initial Brief to the Commission. This Initial Brief is being mailed on March 30, 1998, two days prior to the April 1, 1998 filing date. The service standard from New Jersey to Washington DC is two days. In the event that this is not received in time, it will be the fault of the Postal Service and I move for late acceptance.

2. This case appears to be unique in the cases that I have participated in. It appears to me that the United States Postal Service has taken the position that even though they are making money "hand over fist", they are still greedy and asking for more. As indicated in the Office of the Consumer Advocate ["OCA"] Initial Brief, not only should the Postal Service not be granted the requested increase in rates and fees, but should have some of them reduced.

3. The members of the mailing public, as a captive audience, must be protected against the arbitrary increases being proposed.

4. I will discuss many of the proposals being made by the Postal Service.

## RETURN RECEIPTS

5. The Postal Service is proposing a 31-percent increase in the cost of Return Receipts - raising the fee for them from \$1.10 to \$1.45. This is approximately 8.2 times the overall increase proposed in this Docket and it comes at a time when the Postal

Service is achieving tremendous financial success. At the same time, they are proposing a reduction in the level of service - allowing organizations which receive large numbers of return receipts to complete the return receipt after delivery. On page 23 of the July 1997 Mailers Companion, the Postal Service provides the following explanation of the proposed return receipt rate, "We propose fee increases to better reflect the value of this service." As noted, this is far from the truth.

6. In spite of all of the efforts of myself and others in this case and in previous cases to obtain a level of service which matches the claims of the Postal Service, the Postal Service has attempted to thwart any attempt to obtain the truth about their handling of return receipts. It has taken independent contacts with various post offices and tax agencies to disprove the Postal Service's claim of proper completion of return receipts. Now that there has been some evidence of improper completion of return receipts, Witness Plunkett in his Rebuttal Testimony [USPS-RT-20 page 9 - lines 6-9] wants to change the rules to provide an exception when receipts are delivered to IRS service centers. Unfortunately, the Postal Service goes even further in their proposed rules to conform with the results of this Docket. The March 16, 1998 Federal Register [63FR12874] proposes to change the wording of DMM Section D042.1.7b to read, "The mailpiece may not be opened or given to the recipient before the recipient signs and legibly prints his or her name on the delivery receipt [and return receipt, if applicable] and returns the receipt[s] to the USPS employee; or, for organizations such as the IRS, which receive large numbers of return receipts, before the recipient signs a manifest listing all of the Express Mail and accountable mailpieces being delivered."

7. The Postal Service is now proposing to legitimize what appeared to be the unauthorized practice of processing return receipts. The proposed regulations are extremely vague as to what guidelines a local post office will use to determine whether an organization receives large numbers of return receipts. Perhaps some delivery offices will consider two or more return receipts to be a large number. The costs on which the proposed price of return receipts are based utilize the costs that are involved with the proper completion of the receipt. Under the new proposed regulations, the only costs that the Postal Service incurs are the costs associated with the printing, stocking, and

distribution of the actual form plus the costs of handling the return post card. Perhaps, a fee of 25 to 30 cents would be appropriate for those return receipts processed in accordance with the newly proposed regulations.

8. The introduction of these new regulations at such a late date in the case precludes any cross examination of the Postal Service. It was not possible to evaluate and question the cost data for the new type of service. There was no mention of this in the initial testimony or in any of the responses to the interrogatories or in the oral cross examination.

9. The Postal Service may claim that it is not practical to wait while the many return receipts are being signed. First of all, many of the organizations that receive large numbers of return receipts have an automated system for completing them. Regardless though, the Postal Service conveniently avoids the fact that each and every one of those return receipts paid \$1.10 [proposed to be \$1.45] to have it properly signed for.

10. Furthermore, the proposed rule does not meet the requirements of Sections 945.11, 945.23, and Fee Schedule 945 of the Domestic Mail Classification Schedule in that the processing and completion of the return receipt would be out of the control of the Postal Service.

11. At the suggestion of Postal Service Counsel, I wrote to the Consumer Advocate to inquire about the problems that I was having with return receipts on mail that I was sending. The response dated March 16, 1998 after three attempts starting on January 5, 1998 that I received [attached as Attachment A] indicated the policy of delivering mail to government agencies with return receipts is as suspected and confirmed to an extent in this Docket. The return receipt is being processed at a later, more-convenient time with the reduction in service and accuracy to the mailer who paid for a service they are not being provided.

12. The claim that a proper manifest will be signed by the recipient has no relationship to the information that is contained on the return receipt. Once the article has been delivered to the addressee with the return receipt still attached, the Postal Service has relinquished all control and responsibility as to the information provided on the return receipt or, for that matter, if the return receipt will be returned at all. Allowing the recipient, who will usually be in an adversarial relationship with the mailer, to complete the return receipt with whatever information they desire or even to complete it at all is unconscionable.

13. It is interesting to note that the proposed rule makes no reference as to what will happen with the return receipts that are associated with delivery of Express Mail and accountable mailpieces delivered to organizations that receive large numbers of return receipts. Will they be properly completed? Will they be returned promptly? Will they contain correct data? Will they even be returned? It appears that all the Postal Service wants is their \$1.45 fee without any work or responsibility.

14. Witness Plunkett made numerous references in response to my interrogatories which were confirmed in my oral cross examination of him [Volume 3 page 975 line 20 - page 979 line 1] that a mailer could always obtain a duplicate return receipt to confirm the data contained on the return receipt. Witness Plunkett also confirmed that there is some inconvenience and delay in obtaining the duplicate. Even without the inconvenience and delay, there is the other question as to how the mailer is supposed to even be aware of the need to check the data. I realize that Mr. Carlson or I might be able to see the need for asking for a duplicate return receipt [Rebuttal Testimony USPS-RT-20 page 4 lines 12-16] but does that mean the less exacting customers should be entitled to any less service? The fact that an accurate manifest exists at the delivery post office is nice but does no good unless the mailer determines that he or she has a need to check it through the use of the inconvenient and delayed duplicate return receipt process. After all, they paid for a service, why should they question the quality of the service?

15. This is another example of how the Postal Service responds to the action taken if they are unable to meet the standards. If they can't meet the standards, then they just

change them. Witness Plunkett in my oral cross examination of him [Volume 3 page 992 line 19 to page 993 line 5] states that he is not aware of any exceptions to the rule requiring the completion of the return receipt at the time of delivery regardless of whether it is a single letter sent to me or 10,000 of them sent to IRS. Now that the Postal Service is caught with the evidence that Mr. Carlson and I developed, their out is to just change the rules to provide a lesser service.

16. There are many reasons why mailers request return receipts. Most of the time it is because there is an adversarial relationship between the mailer and the recipient. I am not going to spend an extra \$2.45 [proposed to be \$3.00 - both include the Certified Mail fee since that is required and used for most return receipts] unless I have a need to obtain proof of delivery which I can not receive or trust the recipient to acknowledge. Regardless of the specific reasons a given mailer utilizes the return receipt service, there are mailers who want the signature of the recipient, who want to know that an article was actually delivered, who want to know an accurate date of delivery, and/or who want to know in a prompt manner that their letter was delivered. The proposed regulations of the Postal Service completely negate any attempt at these needs.

17. Witness Plunkett indicates that the rise in the use of return receipts indicates that the public is satisfied with the service. He indicates that there are alternatives to the service [Rebuttal Testimony USPS-RT-20 page 2 lines 2-16]. There are no practical alternatives for a written confirmation of delivery. Express Mail at \$10.75 will get me a verbal confirmation - Certified Mail - return receipt will get me a written confirmation for only \$2.77 or only 26% of the Express Mail cost. Witness Plunkett also refers to the availability of 3-day UPS service for only \$5.65. That cost is more than twice the cost of the Postal Service product. The ability for smaller mailers to enter an article into the UPS system is far less convenient than entering it into the Postal system. I also question whether using UPS 3-day service for correspondence would be in compliance with the Private Express Statutes.

18. If the Postal Service is going to transfer the responsibility to the recipient to complete the return receipt, the use of a plain post card as suggested by Intervenor

Carlson would not only be far less in cost [21 cents vs. \$1.45] but would actually provide a better service since the contents of the letter could be indicated on the card, thus providing an indication of what was received rather than just that something was received.

19. The Postal Service claims that return receipts are a quality service and are utilized to provide an independent confirmation of delivery. In spite of this claim, it appears that the Postal Service is not interested in service but is only interested in the additional revenue. Even though the Commission recommended the Postal Service evaluate the quality of return receipt service [On page V-405 of the Opinion and Recommended Decision in Docket No. R90-1, footnote 110 - paragraph 6576 indicated, "... it is appropriate to note Popkin's concerns about the quality of return receipt service. Popkin's submissions in this proceeding suggest a deterioration of service which should be of concern to the Service."], in the intervening seven years, the Postal Service has made no effort to do so and passes the problem off as anecdotal [Response to Docket MC96-3 interrogatory DBP/USPS-T8-23[f]]. The letter sent to the 83 Postal Service District Managers on August 1, 1996 [response to Docket MC96-3 interrogatory DBP/USPS-T1-3] appeared to allow these managers the ability to retain arrangements which allow delivery of accountable mail with the completion of the return receipt being made at a later, more convenient time. These arrangements would appear to reduce the value of the return receipt to nothing more than a post/stamped card being completed by the addressee. This does not provide the claimed independent confirmation of delivery. The Postal Service appears only interested in receiving the return receipt fee without providing the service as mandated by its own regulations. The Postal Service should be required to indicate that there must be no arrangements for completion of return receipts at a later, more convenient time. It is noted that my test showing that 81 percent of my 16 return receipts were filled out incorrectly is the only test to appear in the Commission's records. The Postal Service has not and I can only assume will not conduct a study. It would appear to me that they are afraid of what the study would show [unless they complete it in a similar manner to the recent Charleston WV EXFC studies].

20. Witness Plunkett in his Rebuttal Testimony [USPS-RT-20 page 9 line 11 to page 10 - line 6] states that the Postal Service will be making a major service enhancement for

return receipts by including a check off box to indicate that there was no change of address. Obviously, I agree with that enhancement since I was the one who suggested it and even though the Postal Service ignored it in Docket MC96-3. However, another example of the Postal Service's lack of providing quality return receipt service is shown by the means that were utilized to inform the field about the new requirement to show the new address if any on return receipts. The only notice was buried in one issue of the Postal Bulletin containing all of the changes in fees and services as a result of Docket MC96-3.

21. As indicated during my oral cross examination of Witness Plunkett, out of the sixteen return receipts that I had recently received as a result of a major mailing, only three of them were properly filled out. [Testimony - Volume 3 page 1000 line 2]. This small sampling certainly indicates a poor level of service.

22. Furthermore, the Postal Service has failed to reinstate the use of the red validating stamp on return receipts so as to provide a more reliable indication of the date of delivery and a level of validation as to the authenticity of the return receipt.

23. The proposed changes to the DMM - Section S918.1.1 states that, "Signature confirmation [electronic return receipt service] will become available in 1999." The only rates that would be available are those that may be approved in this Docket, namely \$0.00 to \$0.60. If the Postal Service is able to provide this signature confirmation at these rates, how can they justify the \$1.45 rate for return receipts?

24. The bottom line with respect to return receipt is that it is not a service. The Postal Service does not provide the service that they claim. They have not and apparently will not conduct a study of the quality of service. When confronted with evidence of poor quality, they just change the rules to make the poor service acceptable. Return receipt service is a sham and a fraud on the mailing public. After seven years of documented poor service, the Commission must take a stand and deny any increase in rates. If the Postal Service insists on allowing the recipient to complete the return receipt, that rate should be greatly reduced since the Postal Service is not providing the service.

## **RETURN RECEIPT FOR MERCHANDISE**

25. All of the comments made above for regular return receipts also apply to return receipts for merchandise other than the 31% increase would be a 41% increase. This is approximately 10.9 times the overall increase proposed in this Docket and it comes at a time when the Postal Service is achieving tremendous financial success.

26. The service provided by return receipt for merchandise is identical to that which is provided by Certified Mail - return receipt. Both provide proof of mailing, signature upon delivery [including the record maintained at the delivery office], and a return receipt card. The present and proposed rates for Certified Mail - return receipt are between 176% and 204% of the cost for return receipt for merchandise even though they both provide identical features. The combined fee of \$3.00 for Certified Mail - return receipt should be reduced to the proposed \$1.70 fee [split 85 cents each or any other way] which the Postal Service has proposed for return receipt for merchandise. If they are processed the same and provide the same service, then they should cost the same. If they cost the same to provide, then the rates should be the same. If the rates can not be reduced, at least they should not be increased.

## **FEE FOR POSTAL CARDS**

27. As part of this Docket, the United States Postal Service is proposing to change the fee for Stamped Cards from \$0.00 to \$0.02 and for Double Stamped Cards from \$0.00 to \$0.04. This would institute an actual charge, as opposed to a zero charge, for Stamped Cards. Implementation of this change would require that Stamped Cards be sold at a larger sum than the value indicated on its face. A Stamped Card with a 21 cent stamp indicated on its face would be sold for 23 cents.

28. Section 1721 of Title 18, United States Code, provides in part, "Whoever, being a Postal Service officer or employee, knowingly and willfully: ..... sells or disposes of postage stamps or postal cards for any larger or less sum than the values indicated on their faces; or sells or disposes of stamped envelopes for a larger or less sum than is



charged therefor by the Postal Service for like quantities; ..... shall be fined under this title or imprisoned not more than one year, or both."

29. Based on this statute, I request that the Postal Rate Commission reject the Postal Service's request as contravening this Statute on its face.

30. The Postal Rate Commission can not approve a rate to charge more for Stamped Cards than that which appears on their face. To do so would subject any postal employee who sold them to the public for that increased cost to be in violation of this Statute.

31. Since the definition of the newly defined *Stamped Cards* is identical to the formerly defined *postal card* [see Section 222.11 (proposed Section 962.11) in the Classification Schedule for Stamped Cards and Section 222.13 (proposed Section 962.12) for Double Stamped Cards], the changing of the name [from postal to Stamped Cards] will not change the intent of Congress in that they be sold at the value indicated on the face. An Act of Congress would be required to allow for this request of the Postal Service.

32. Because of the distinction in the Statute between postage stamps and postal cards which must be sold at their face value and stamped envelopes which must be sold at the established USPS price, the intent of the Congress is clear that only stamped envelopes may be sold at other than the value indicated on the face.

33. Furthermore, an examination of the legislative history of this Statute fails to indicate any other meaning for the Statute. In 1905, 25 Op. Atty. Gen. 354, it states that, "No postmaster or other person connected with the postal service shall sell or dispose of postage stamps for any larger sum than indicated on their faces."

34. The modifications made to 18 USC 1721 in the Postal Reorganization Act [Public Law 91-375] only made changes to update the section for the change from the Post Office Department to the United States Postal Service and have no discussion relative to the issue at hand.

35. Likewise, Senate Report No. 2720 dated July 20, 1956 to accompany H.R. 5417 has no discussion relative to the issue at hand.

36. The Statute is very clear on its face. Twenty-one-cent Stamped Cards must be sold for twenty-one cents - no more and no less. The Statute states that and there is no legislative history to indicate otherwise or to change the meaning of the otherwise very clear law.

37. Any reference by the Postal Service to 6 Op. Solicitor of the Post Office Dep't. 652 [1918] is inappropriate. This opinion of the Post Office Department's own Solicitor is not legislative history of the law. It is nothing more than the Post Office Department's own interpretation of the law and has no weight outside the agency.

38. Based on the above, I request that the request by the United States Postal Service to establish an actual charge for Stamped Cards be dismissed as contravening the existing Statute. If the Postal Service wants to update the Statute, there is only one solution, namely, request Congress to do so.

39. The sale of philatelic card products must be made at the same price as regular stamped cards, namely, their face value. It was indicated that philatelic card products meet all of the requirements of the Classification Schedule for stamped cards. To sell them for any other price would contravene 18 USC 1721 and subject the employee selling them to the penalties provided.

40. It is also noted that the cost of handling stamped cards is far less than that for post cards. Yet, in spite of this cost differential, the Postal Service wants to add injury to insult by charging a 2-cent fee to the stamped card price. This would encourage mailers to use the post card service which presently has the same rate but a much higher cost. This rate would be counter productive.

## **EXPRESS MAIL**

41. There are two generic questions which arise in the Express Mail service. The first relates to Second Day Express Mail. While the Next Day Express Mail service area may be established in a manner which will only include those areas which can be reached by the delivery standard, the present regulations default all other Express Mail to guaranteed delivery on the Second Day. This is done regardless of whether or not the delivery can be accomplished. For example, there are many remote offices that have mail service only a few days a week. It also applies to Express Mail deposited in an office after the cutoff time and which is destined to what would have been a normal Second Day area. For example, Express Mail destined to a remote area in Alaska and mailed in Englewood NJ on Monday would be "guaranteed" delivery on Wednesday even though the only flights into that facility were on Monday and Friday. Similarly, if the cutoff time [and last dispatch of the day] was 4:30 PM and Express Mail was destined to what would normally be Second Day and if it was mailed at 5 PM on Monday, it would be "guaranteed" for Wednesday delivery even though it did not leave the originating office until Tuesday.

42. The second concern that I have is the ability of the Postal Service to achieve delivery of Express Mail on days when there is no normal mail delivery, such as on Sundays and holidays. While there appears to be some effort to achieve this in built-up areas, it would appear to not exist with addressees located on rural and highway contract routes.

43. Delivery of Express Mail should be improved with respect to delivering it as early as possible rather than just ensuring that it is delivered by the established cutoff time. The availability of Express Mail was utilized by the Postal Service to justify elimination of Special Delivery. The delivery of Express Mail should match that which was formally provided for Special Delivery.

44. The requested increase in Express Mail rates should be denied until the Postal Service is able to design their service to be capable of delivering what is guaranteed. The word "guarantee" should not just mean that a mailer will be given a refund when the "guaranteed" failure occurs.

## **FIRST-CLASS MAIL VS PRIORITY MAIL RATE TRANSITION**

45. The Postal Service proposes a major increase in the cost of exceeding the eleven ounce limit on First-Class Mail before requiring use of the flat rate Priority Mail postage rate. Presently the cost of exceeding eleven ounces is 38-cents [\$3.00 Priority Mail less \$2.62 eleven ounce rate]. Under the proposed rates, this would increase to 57-cents. This is almost two and one-half times the 23-cent rate for each of the additional ounces up to 11 ounces. There is no logical reason why the twelfth ounce should cost that much more than each of the second through eleventh ounces. The break point between First-Class Mail and Priority Mail should be changed from 11 to 13 ounces to avoid this anomaly.

## **BOX RENT INCREASE**

46. The Postal Service is proposing a 10.6 to 13.3-percent increase in the cost of Group C Post Office Boxes [this Group accounts for a great proportion of the total revenue]. This is approximately 2.8 to 3.5 times the overall increase proposed in this Docket and it comes at a time when the Postal Service is achieving tremendous financial success.

47. The changes to the quarter-mile rule [which is a half-mile for the smallest offices] needs revision to meet the Postal Service's claim that all residents of the United States will be provided one free method of obtaining delivery.

48. The Postal Service claims that they will utilize the extra box rent money to provide for an increase in box service. There is no guarantee that this will take place. There is no indication that the extra money which is received from boxes which are located at facilities which have sufficient boxes will be utilized for box service. There is no effort to improve the level of box service so as to keep the lobbies of Post Offices open whenever there are employees on duty in the facility. There is no effort to keep lobbies open at other times to improve the level of service. This is nothing more than get the money and cut the costs. There is no effort to improve the service.

## **STAMPED ENVELOPES**

49. The original testimony submitted by the Postal Service apparently was not prepared carefully. There were a number of rates which could not be calculated by the information being provided. The Postal Service attempted to correct this problem in their response to my interrogatory DBP/USPS-66a. Postal Service Counsel attempted to have the OCA [without contacting me] enter this response into evidence. Fortunately, OCA Counsel contacted me and did not designate it. The response to this interrogatory has not been designated. The rates that have been proposed can only be arrived at by those that were requested by the Postal Service. They can not make changes to their rates as the case progresses. They are the ones who continually complain of any failure by intervenors to meet deadlines and yet they miss them quite frequently to the detriment of the intervenors.

50. The requested rate is that which would result from utilization of the present rates. Plain Hologram Stamped Envelopes in 500 and 1000 lots [USPS requested rate \$180.50/\$361.00] must be priced at the only legal rate available, namely \$177.00/\$354.00.

51. The Postal Service proposes prices for plain stamped envelopes at 40 or 41-cents per envelope for quantities less than 500. They also propose personalized [printed] stamped envelopes in lots of 50 at prices of \$19.50 to \$20.00. The price for 50 basic plain stamped envelopes would be \$20.00 [50 times 40 cents] or 25 or 50 cents more than the same quantity of printed envelopes. The price for 50 hologram plain stamped envelopes would be \$21.00 [50 times 41 cents] or \$1.00 more than the same quantity of printed envelopes. The price for printed stamped envelopes can not be less than that for plain stamped envelopes. The proposed rates for plain stamped envelopes should be changed to show that the single rate is for less than 50 envelopes and a 50 envelope price should be instituted which is one-tenth of the proposed 500 envelope rate.

52. Personalized [printed] stamped envelopes may only be obtained from the Philatelic Fulfillment Service Center. They are not available from any other source. In addition to any price which is established as a result of this Docket, there will be a Shipping and Handling charge added to the total price of the envelopes. This charge must be eliminated. Otherwise, the Postal Service is free to flaunt the rates established in accordance with the Commission's procedures. For example, a return receipt will have a rate of \$1.10, however, if you want the actual card to utilize for the service, a mailer must purchase it from the Postal Service who is then able to add on a service charge to the order and thereby raising the "required" cost to one that is more than the approved rate. The Postal Service must not be allowed to propose rates through the Commission and once they are approved have them unavailable to the mailing public without paying a shipping and handling charge unilaterally determined by the Postal Service.

### **CERTIFIED MAIL**

53. The Postal Service is proposing a 14.8-percent increase in the cost of Certified Mail - raising the fee from \$1.35 to \$1.55. This is approximately 3.9 times the overall increase proposed in this Docket and it comes at a time when the Postal Service is achieving tremendous financial success.

54. The Postal Service claims that there are alternatives for Certified Mail. The only alternatives are to utilize an expedited service. Certified Mail may only be used with First-Class Mail for which the Postal Service has a monopoly. This is nothing more than taking advantage of the public who has no other practical alternative but to use Certified Mail and pay the 14.8% increase.

### **EXFC RESULTS**

55. The "scandal" that took place in West Virginia with the validity of the EXFC results places a cloud over the validity of any of the studies that have been prepared by the Postal Service. It goes to the very heart of this and every other rate case which is based on the cost and service studies provided by the Postal Service.

56. The EXFC program only monitors First-Class Mail delivery standards in 96 areas throughout the country. What this does is to provide two levels of service for First-Class Mail. If an individual is located in one of the 96 areas, the Postal Service goes to great lengths to ensure that a potential EXFC letter is not delayed. This includes such efforts as making special arrangements to ensure that any missent mail is transferred immediately to ensure on time delivery and installing electronic devices to ensure that all collection boxes are collected at the proper time and if not, to go back and make the collection so as not to delay the mail. These costly arrangements are not utilized at non-EXFC offices. Missent mail is just sent back through the system. Collection boxes have no means of confirming that a proper collection has been made. If letter or rural carriers return back to the office after the last dispatch, the mail may just sit there overnight.

57. If the mailers in the non-EXFC areas are receiving a lower and less costly level of service, they should pay less than those in the EXFC areas. The one cent increase for First-Class Mail should not be granted for mail deposited in a non-EXFC area or, in the alternative, the Postal Service should provide equal service to all residents in the United States by extending the EXFC areas countrywide.

### **STANDARD MAIL [B]**

58. Column 8 of Exhibit USPS-16A, indicated that Parcel Post Unit Transportation Costs for Zone 1 through 5 are \$1.7521. The rates being proposed by the Postal Service are distance related, namely, they are higher for more distant zones. If the transportation costs are the same, then the rates should also be the same.

59. The proposed rates for Destination SCF and Destination Office Standard Mail [B] are less than the rates being proposed for the individual Local Intra-BMC parcels. Mail deposited at an SCF facility will require some sortation and transportation to arrive at the destination office. Individual parcels mailed by the public to a local address are already at the destination office. The Local Intra-BMC Standard Mail [B] rates should be reduced to match the Destination Office rates.

## **REGISTERED MAIL**

60. The Postal Service is proposing a 51 to 54-percent increase in the fee for Registered Mail. This is approximately 13.5 to 14.3 times the overall increase proposed in this Docket and it comes at a time when the Postal Service is achieving tremendous financial success.

61. I also object to the complete elimination of the ability to not have to pay for duplicate insurance. If I have my own insurance, I should not have to pay extra to obtain the Postal Service's insurance. In many cases, my only desire is to have the protection provided by this service.

## **INSURANCE**

62. The Postal Service is proposing an increase of 11 to 20 percent for insurance. This is approximately 2.9 to 5.3 times the overall increase proposed in this Docket and it comes at a time when the Postal Service is achieving tremendous financial success. The present rate of 90 cents per \$100 value is far in excess of that which is charged by the competition as well as even what the postal service charges for Registered Mail. The requested 11.1% rate increase for each additional \$100 value should not be granted [this includes both the regular insurance fees as well as the Express Mail insurance rate]. A mailer having a parcel valued at \$5000 will virtually always find that sending the article by Priority Mail - Registered will cost less than Standard Mail - Insured. Not only will the cost be less, but the delivery standards for Priority Mail are far better than those for Standard Mail and the protection afforded to Registered Mail is greater than that afforded to Insured Mail.

63. It is also noted that the security provided to insured mail is less than that provided to other classes of accountable mail. While other accountable mail is signed for when it is transferred to the employee who is making the delivery to the addressee, insured mail is



not. This certainly detracts from the value of the service. [Testimony Volume 3 page 982 line 5].

### **CERTIFICATE OF MAILING VS. DELIVERY CONFIRMATION**

64. The Postal Service is proposing to increase the cost of an individual certificate of mailing from 55 to 60 cents. They are also proposing to establish a fee of 35 cents for a manual Delivery Confirmation. The Delivery Confirmation will, in addition to providing delivery confirmation, also provide proof of mailing [proposed DMM Section S918.1.3a "....It provides a mailing receipt ...."]. How can the Postal Service provide both the mailing receipt and the delivery confirmation for only 58% of the cost of providing the mailing receipt only? It is also hard to understand how the cost of a mailing receipt can be 1.8 times the cost of handling the letter itself. The fee for individual Certificate of Mailing should be reduced to 30 cents or less.

65. The Postal Service proposes a certificate of mailing fee of 60 cents for an individual article listed on Form 3817 or facsimile and a fee of 25 cents per article listed on firm mailing books [Form 3877 or facsimile]. The firm mailing book may be utilized for a single article. Based on that, the cost would be 25 cents for a single article rather than the 60 cents if on a Form 3817. The costs would appear to be the same regardless of the form used - actually the firm mailing book might have a higher cost for the actual form. The costs for certificates of mailing must be reduced.

### **SPECIAL HANDLING**

66. The Postal Service is proposing an approximately 320-percent increase in the fee for Special Handling. This is probably the greatest rate shock in this Docket. It represents approximately 84 times the overall increase proposed in this Docket and it comes at a time when the Postal Service is achieving tremendous financial success.

67. The proposed increases in Special Handling should put the final nail in the coffin for this service. Mailers who are required to utilize Special Handling are also permitted to

use First-Class Mail or Priority Mail. Under the new rates, First-Class Mail or Priority Mail will provide a better service at a lower price.

### **LIBRARY VS. SPECIAL STANDARD MAIL**

68. The vast majority of material that may be mailed at the Library Mail and Special Standard Mail rates is the same. The distinction between the two rates, for all practical purposes, is the category of the sender/addressee. The Special Standard Mail rate is available for all mailers while the Library Mail rate is only available for specific types of mailers. It is the "non-profit" rate for Special Standard Mail. In this Docket, the Postal Service, for the first time, has proposed Library Mail rates which are greater than Special Standard Mail rates. This will only result in the elimination of the special "non-profit" rate since virtually all of the present use will migrate to Special Standard Mail at a lower rate. The Library Mail rates should be reduced to provide a meaningful discount for the "non-profit" mailers.

### **ELIMINATION OF STANDARD MAIL [A] SINGLE PIECE RATE**

69. In the past rate cases, the Postal Service has step-by-step increased the weight limits for with the First-Class Mail letter and the Standard Mail [A] letter [formerly designated as third class mail] would have the same rate. As this was done, it continued to shift mail from the Standard Mail to the First-Class Mail system since the rates were the same. In this case, they are proposing the complete elimination of the service. This will require mailers who do not require the level of service provided by First-Class Mail / Priority Mail to pay for it anyway. Elimination of the rate category also eliminates the ability to send under one pound Standard Mail [B] or Library/Special Standard Mail parcels at a cheaper Standard Mail [A] rate.

### **BULK STANDARD MAIL [A] RATES FOR CARDS**

70. There is no special bulk mail rate for cards meeting the physical characteristics of a post card. As such, they are required to be mailed at the normal bulk rate for letters. This

results in an anomaly in the rates since the normal First-Class Mail post card rate will cost less than the bulk rate for mailing the same cards. The service will be better for the First-Class Mail cards and the preparation requirements will be equal to or less than that of bulk rate. A bulk rate for cards should be established which is less than the corresponding First-Class Mail post card rate [both the individual rate and the various presort rates for equivalent preparation].

### **PICKUP FEES**

71. The Postal Service is proposing a 67-percent increase in the cost for mail pickup - raising the fee for them from \$4.95 to \$8.25. This is approximately 17.7 times the overall increase proposed in this Docket and it comes at a time when the Postal Service is achieving tremendous financial success.

### **ANNUAL PERMIT FEES**

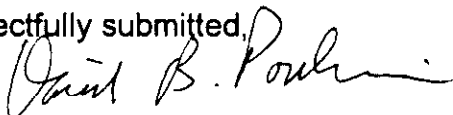
72. The Postal Service is proposing a 17.6-percent increase in the cost for the various annual permit fees - raising the fee for them from \$85.00 to \$100.00. This is approximately 4.6 times the overall increase proposed in this Docket and it comes at a time when the Postal Service is achieving tremendous financial success.

### **SUMMARY**

73. Based on the financial position of the United States Postal Service over the past several years, the requests for rate increases over and above those currently authorized must be denied. Furthermore, the service related changes should be approved.

74. For the reasons stated above, I request that the Postal Rate Commission take the actions requested for each of the services.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the rules of practice.

David B. Popkin

  
March 30, 1998



March 16, 1998

Mr. David B. Popkin  
Post Office Box 528  
Englewood, NJ 07631-0528

Dear Mr. Popkin:

This is in response to your letter, with enclosures, concerning the completion of return receipt cards.

We share your concern about the problems with your return receipt mailings to government agencies. It may help you understand if you realize that government agencies receive millions of letters each day, many of which are sent by mailers who want to have a record of delivery. Because of this huge volume of accountable mail, the Postal Service delivers it in bulk to each agency's mailroom.

You may rest assured that the Postal Service accounts for this mail, however. Each piece is recorded on a computerized list by article number. When the mail is turned over to the agency, their mailroom personnel verify the numbers for each item against the numbers on the computerized list. Their mailroom employees then sign the list verifying delivery before distributing the mail to offices within the agency. At this point, they also are supposed to sign and date-stamp each return receipt and return it to the mailer.

It has been our experience that most mailers receive their return receipts from government agencies in a reasonable amount of time. However, sometimes the mailroom employees fail to properly complete and return the receipts. We regret such oversights and realize the inconvenience and worry it can cause our customers.

Whenever you fail to receive a properly completed return receipt from a government agency, you should have your post office initiate a duplicate return receipt for the mail in question. When your request for a duplicate return receipt reaches officials at the delivery post office they will research their computerized lists and provide you with a duplicate return receipt. Such duplicate receipts are accepted by the courts and other authorities as proof that the article was delivered. They carry the same weight as an original return receipt.

We understand your concerns that return receipt cards are no longer postmarked. The postmark affixed to pre-1983 editions of return receipts frequently reflected the date the receipt was processed by the Postal Service rather than the actual date of delivery. The redesign of the return receipt has eliminated any conflict between the date shown as the date of delivery and the date shown in the cancellation.


INITIAL BRIEF OF DAVID B. POPKIN  
ATTACHMENT A - PAGE 2 of 2

- 2 -

Your questions concerning the delivery of Express Mail shipments to certain areas of the country have been referred to our Operations Support office for appropriate attention.

Thank you for taking the time to write.

Sincerely,

  
Dianne V. Barnes  
Consumer Support Specialist

Reference:80480028:seb